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GOVERNMENT OF PUNJAB

DEPARTMENT OF INDUSTRIES & COMMERCE

NOTIFICATION

The 8th March, 2026

No. PIU/IBDP-2026/DSOG-2026/916.- In pursuance of the approval of the Council of Ministers, Government of Punjab granted in its meeting held on 07/03/2026, the Governor of Punjab is pleased to notify 'Detailed Schemes & Operational Guidelines, 2026', as per Annexure –A.

GURKIRAT KIRPAL SINGH, IAS
Administrative Secretary to Government of Punjab
Department of Industries & Commerce

Chandigarh
The 8th March, 2026

DETAILED SCHEMES AND OPERATIONAL GUIDELINES 2026

FOR AVAILING FISCAL INCENTIVES UNDER- PUNJAB INDUSTRIAL AND BUSINESS DEVELOPMENT POLICY 2026

Department of Industries & Commerce,
Government of Punjab

Detailed Schemes and Operational Guidelines IBDP 2026

INTRODUCTION

- To promote Punjab as an attractive and competitive destination for industrial investments, the State Government has notified Punjab Industrial and Business Development Policy 2026, offering various incentives to the eligible industrial units in the State.
- Detailed Schemes and Operational Guidelines have been formulated under Clause 4.1.9 of the Policy for smooth implementation of the policy and to ensure that incentives are made available to the entrepreneurs in an objective, transparent and hassle free manner.
- The Detailed Schemes and Operational Guidelines have to be read with the provisions of the Policy.
- The operational guidelines shall commence from the date of notification of the policy and shall be coterminous with the policy. The guidelines may be amended and modified in the course of implementation. The entrepreneurs shall check the website of the Department for latest guidelines.

Detailed Schemes and Operational Guidelines IBDP 2026

1. MIGRATION OF UNITS FROM IBDP 2022

1.1. MIGRATING UNIT:

The New Units and Existing Units undertaking Expansion that have submitted Common Application Form (CAF) under the Industrial and Business Development Policy 2022 (IBDP 2022) and have **not availed/ been disbursed any post-production incentives** as on date of notification of this policy, shall have an option to avail the fiscal incentives under this policy, provided they are otherwise eligible under this Policy and come into commercial production within five (5) years from the date of acceptance of the original CAF.

Those Units for which the ICAF or any Incentive Application under IBDP-2022 have already been rejected shall not be eligible to migrate under IBDP-2026.

However, those units wherein ICAF/Incentive Applications has not yet been verified and/or pending as on date of notification of this policy, the ICAF/incentive application shall be decided within 3 months from the date of application of Form-MU. If such application does not fulfill the criteria for sanction of incentive under IBDP 2022 as on date of notification of this policy, the unit shall not be eligible for migration to the IBDP 2026.

Provided further, the Industrial Units which have migrated from IBDP 2017 to IBDP 2022 shall not be eligible for exercising the option of migration to IBDP 2026.

1.2. TIME LIMIT TO EXERCISE THE OPTION OF MIGRATION:

The unit intending to exercise the option of migration as per its eligibility, as prescribed above, shall submit the application through Online Portal in the prescribed Form – MU within 90 days from the date of notification of this policy.

1.3. SOP FOR PROCESSING THE APPLICATION FOR MIGRATION:

(i). On submission of application in the prescribed Form MU by the Migrating Unit after due scrutiny, the application shall be considered by the District Scrutiny Committee (DSC).

(ii). The DSC, after due examination shall finalize its recommendation to be placed before the State Level Committee (SLC) for final decision on the application of migration.

(iii). Pursuant to the approval granted by the SLC, the Migrating Unit which is already in production on the date of approval of Form MU, shall submit its Incentive Common Application Form (I-CAF) under IBDP-2026 within 45 days from the date of approval of Form – MU on the Online Portal.

(iv). In case of units who have gone into commercial production and have not availed or been disbursed any **post-production** incentive under IBDP-2022, the Eligibility Period of fiscal incentives under this policy shall commence from the date of notification of this policy.

1.4. OTHER CONDITIONS:

(i). Any Pre-production incentive availed by the Migrating Unit under IBDP 2022 shall be deducted from the total amount of incentive eligible under this policy in accordance with clause 5.1.1 of Chapter –5 of IBDP-2026.

(ii). The option of Migration is a one-time option, once the application of migration is approved, the Migrating Unit shall not be allowed to revert to the Previous Policy.

(iii). In case of rejection of the migration application by the SLC, the unit can avail the benefit under IBDP-2022, if eligible, subject to other prescribed terms & conditions.

(iv). The Migrated Units wherein ICAF and/or Production detail form has been verified under IBDP-2022, shall have to submit the ICAF under IBDP-2026 as per the procedure prescribed as per clause 6.2 of these guidelines.

2. INDUSTRY CATEGORIZATION& CLASSIFICATION

2.1. INDUSTRY CATEGORIZATION: MSME / LARGE / MEGA

MSME Units: The definition and classification of all manufacturing and service industry MSME units shall be as per the prevailing Government of India notifications issued under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), as amended from time to time.

For the purpose of availing incentives under this policy, the status of MSME units will be reckoned only on the basis of investment in Plant and Machinery, as on Date of Commercial Production, verified by the SLC/DLC, as the case maybe and such verified investment in Plant & Machinery shall be taken for the Unit (not for the enterprise) to be eligible under MSME category.

Large Units: All Eligible Units which are not classified as MSME Unit will be categorized as large units.

Mega Units: All Large Units having a Fixed Capital Investment (FCI) exceeding INR 500 crore, shall be classified as Mega Units under this policy. For IT/ITES, FCI exceeding INR 250 crore and for first three GCCs with employment exceeding 1000 no's shall be classified as Mega Units.

3. FIXED CAPITAL INVESTMENT (FCI):

3.1. FIXED CAPITAL INVESTMENT

For the purpose of availing fiscal incentive under this policy, FCI refers to the investment incurred on the following components as per the Approved Project Cost:

1. Land as prescribed under clause 3.3 of DSOG.

2. Building as prescribed under clause 3.4of DSOG.

3. Plant, Machinery & Equipment as prescribed under clause 3.5of DSOG.

FCI shall include cost of land, building, plant, machinery, and equipment as per the approved project cost. The eligible costs and the manner of assessment have been described below.

3.2. ORIGINAL FIXED CAPITAL INVESTMENT IN CASE OF EXPANSION UNIT:

Original Fixed Capital Investment shall mean the investment made on fixed capital assets (Land, Building, Plant, Machinery and Equipment), as per the Audited Balance Sheet of the last financial year from start of expansion. While computing Original Fixed Capital Investment, neither depreciation nor revaluation shall be considered.

3.3. LAND

The actual cost of land required for the setting up of New Unit or Expansion Unit will be considered towards the Land Component of FCI subject to the following conditions: -

(i). The land cost shall be restricted upto 10% of the FCI both for New Unit and Expansion Unit as illustrated in Annexure – I

(ii). The cost of site levelling and infrastructure preparation (viz. clearance and internal roads), the cost of leased land, and stamp duty/ transfer duty shall not be counted.

(iii). The Land Cost on account of Optimum Land Area required for setting up the unit as per Approved Project Cost shall be considered.

(iv). In case of land allotted on 99 years lease basis by the State Agencies, the allotment price of the land shall be considered.

(v). The value of land which has been purchased up to 5 years prior to the Date of Commercial Production and optimally utilized, by the same entity, shall be considered subject to sub-clause (iii).

(vi). The land should be in the name of the Sole-Proprietor in case of Proprietorship Firm Or in the name of the Enterprise/Unit through Sale Deed or Registered Lease Deed along with

requisite entry in the revenue record (minimum tenure for 15 years for registered lease deed).

3.4. BUILDING

(i) The value of construction of factory building will be limited to the Approved Project Cost for the Building Component of FCI. However, the items of civil works which are permitted for computation towards eligible cost are illustrated in Annexure – II

(ii) The total value of items at (xi) to (xviii) of Annexure - II and similar items shall not exceed10% of the total value of civil works. Total value of the civil works mean items (i) to (x) only within the Approved Project Cost.

(iii) The value of building on lease will not be considered.

(iv) Total Land cost and the cost of construction of worker housing, may be considered upto 15% of total FCI, subject to the condition that the considered land cost shall not exceed more than 10% of the total FCI. However, the cost of construction of worker housing can exceed more than 5% maximum up to 15% of the total FCI, in case the considered land cost is less than 10% of the total FCI.

(v) In case of land and building purchased from existing industry that has already received incentives from the State, the cost will not be considered as part of FCI. In all other cases, land cost (limited to 10% of FCI) and the depreciated value of the building will be included, along with any new assets created through fresh investment. The building's depreciated value, quality, and remaining life must be certified by a civil engineer.

3.5. PLANT, MACHINERY AND EQUIPMENT (P&M)

(i). In case of General Unit, the value of plant, machinery, and essential production equipment (other than consumables) including tools, jigs, dies, moulds, pollution-control systems, transformers, gen-sets, electrical equipment, and lab equipment, machinery Foundation and Structural Support - any specialized foundation or structural work necessary for the production line will be counted as eligible Fixed Capital Investment (FCI).

(ii). The value on account of Leased machinery or equipment will not be considered.

(iii). Total Freight charges shall be capped at 3% of the total value of Plant & Machinery.

(iv). In case of IT/ITeS/GCC Unit and Tourism & Hospitality Unit**:** The cost of Plant & Machinery or Equipment shall be allowed as prescribed under respective sectoral policy.

(v). **Second hand machinery:** In case of second-hand machinery purchased by the unit, the value of second-hand machinery will not be computed towards eligible Fixed Capital Investment for fiscal incentives.

(vi). The value of self-fabricated machinery as certified by a Chartered Engineer or Engineer of the Term Loan lending institution shall be considered for computing the eligible component of P&M Fixed Capital Investment.

(vii). In case of purchase of Foreign Machinery, the base value of the Machinery subject to the actual payment made by the Industrial Unit as duly capitalized in the Books of Account.

(viii). In case of establishment of R&D Facilities, following shall be considered as eligible expenditure under FCI:

a. Expenditure incurred on new test and measuring instruments, prototypes used for testing, purchase of design tools, expenditure on technology, IPR (including patents, and copyrights etc.) for R&D.

b. Expenditure related to Transfer of Technology (ToT) Agreements shall include the cost of technology and initial technology purchase that are related to manufacturing.

c. For New Unit and Expansion Unit, the expenditure on R&D shall be limited to 15% of FCI.

d. In case of the standalone R&D facility, the eligible expenditure would be 100% of the FCI.

3.6. ITEMS NOT TO BE INCLUDED TOWARDS FCI

(i) Working capital, Raw material, stores, and all consumables including spare tools, etc.

(ii) Value of the Motor Vehicles except specialized vehicles like Refrigerated vans, Fire fighting vehicles, Ambulances and other Industry specific vehicles including commercial vehicles owned by the units for transportation of its staff & workers (provided they have been purchased and capitalized before DoCP). The movable vehicles shall not be disposed off within 5 years of DoCP.

(iii) Pre-operative expenses and value of the Plant & Machinery sold (as per original cost i.e. non-depreciated value) during the investment period.

(iv) Taxes paid for Fixed Capital Investment i.e. Taxes paid for Building, Plant & Machinery.

(v) Advances and expenditure not capitalized in the books of accounts and not certified/audited by CA supported by payment of bills wherever necessary.

(vi) Investment which has been more than the Appraised and Approved Project Cost and is not covered by the approved project would not be considered towards Fixed Capital Investment. However, submission of revised Appraised and Approved Project report shall be allowed before the units attains commercial Production and commercial production of first phase in case of phase investment. And such investment shall be financed and/or

justified by the financial institution (i.e. the institution which has Appraised & Approved the DPR).

(vii) In case of expansion, the fixed capital Investment made by the unit on Building and machinery 6 month prior to acceptance of CAF on Online Portal shall not be considered.

3.7. FOR NEW UNITS- FCI IN PHASED MANNER OR AFTER THE COMMENCEMENT OF COMMERCIAL PRODUCTION

(i) **For New Units with FCI up to INR 125 crore:** For New Units with FCI up to INR 125 crore, with phases duly incorporated in the DPR, the investment made after the first date of production and up to 18 months, shall be considered for the incentives of new unit. Only one (1) revised eligibility certificate will be allowed after first date of production.

(ii) **For New Units with FCI above INR 125 crore:** For New Units with FCI above INR 125 crore, with phases duly incorporated in the DPR, the investment made after the first date of production and up to three years shall be considered for the incentives of eligible unit. Only one (1) revised eligibility certificates may be allowed after first date of production.

(iii) For the purpose of above categorization, FCI verified by SLC/DLC, as the case may be, shall be considered.

(iv) Any additional investment made after the period specified above shall be considered as expansion and the relevant guidelines shall apply.

(v) The eligibility period of incentives against investment made in a subsequent phase shall remain same i.e. from the date of commencement of commercial production of the first phase.

(vi) Also the revised Annual Ceiling for the eligibility period post DoCP of subsequent phase shall be calculated as**:**

$$\frac{\text{Total FCI verified for complete investment in both phases}}{\text{Total Eligibility Period}}$$

Illustration:

A unit with a total proposed Fixed Capital Investment (FCI) of ***INR 300 crore*** *and an incentive eligibility period of* ***10 years*** *achieves* ***Date of Commercial Production (DoCP)*** *of its* ***first phase on 30.04.2026****, with an investment of* ***INR 100 crore****.*

Accordingly, the eligibility period for incentives shall be from ***30.04.2026 to 29.04.2036****, and the* ***annual incentive cap shall be fixed at INR 10 crore****.*

Subsequently, if the unit achieves DoCP of its ***second phase on 30.04.2028****, with an additional investment of* ***INR 200 crore****, then for the* ***remaining 8 years of the original eligibility period***

***(30.04.2028 to 29.04.2036)**, the **annual incentive cap shall stand enhanced to INR 30 crore**, commensurate with the total cumulative investment of INR 300 crore.*

*However, the annual cap applicable for the first two years (i.e., 30.04.2026 to 29.04.2028) at **INR 10 crore per annum shall remain unchanged and shall not be revised retrospectively**.*

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4. GENERAL CONDITION

Following general conditions shall apply in all cases of grant of fiscal incentives to Eligible Industrial Unit apart from other specific eligibility criteria, terms and conditions stated for a particular scheme elsewhere in this Policy or guidelines made under this Policy.

1. The unit shall be registered with the Department of Industries & Commerce and shall submit the Common Application Form (CAF) or Incentive Common Application Form (I-CAF) through the online Portal.
2. The MSME should have obtained Udyam Registration.
3. The Large units should have filed and obtained IEM Part-B with DPIIT, Government of India.
4. The Unit shall not be manufacturing any item placed in the negative list, as notified under the Policy and amended from time to time. It is clarified that any Composite Units which manufactures any items falling under Negative List shall not be eligible for any incentive under the policy.
5. The effective date for incentive disbursement shall be the date of commencement of commercial production / operations by the unit and in case of the phased investment shall be first DoCP read with clause 3.7 of DSOG.
6. All the entrepreneurs should have Permanent Account Number (PAN) and should regularly file the Income Tax Returns.
7. The unit should be in regular production at the time of disbursement of incentive except those incentives which are in pre-production stage such as Stamp Duty/CLU/EDC.
8. All Eligible Industrial Units set up on rented premises should furnish a registered lease deed along with entry in revenue record for a period equal to 15 years.
9. **Provision regarding filing of the APR:** The eligible unit shall file the Annual Production Return for a particular financial year, through Online Portal, within 12 months of the closure of the that financial year.
10. The eligible unit shall file the respective incentive application within the prescribed time frame under this policy, failing which respective incentive application for that particular financial year shall not be allowed.
11. The amount of sale of Scrap/Traded goods or any Ineligible Items (i.e. not part of Eligibility Certificate) made by the eligible unit shall be deducted from the total sale incentive of Investment Subsidy by way of Reimbursement of Net SGST based upon the HSN Code. Further, the sale between Principal and Agent situated in different States would be considered for the purpose of Investment Subsidy by way of Reimbursement of Net SGST.

4.1. CONDITIONS FOR CHANGES IN THE UNIT AFTER SANCTION OF FISCAL INCENTIVES

A unit, which has been granted fiscal incentives, will apply online to the SLC in case of any of the following changes. A revised eligibility certificate will be issued, if required.

i. **Change of constitution/ management/ name or style of unit**: The unit shall inform the State Level Committee by applying on the portal and will submit a Certificate of incorporation from Registrar of Companies (ROC)/Registrar of Firms as the case may be. In case of partnership firms/Private Ltd. firm, if the majority shareholding and legal entity does not change i.e. there is only minority change in the partners or directors respectively, such change would not be considered as change of management/constitution.

ii. **Lease/Sell-out cases of unit:** The unit shall inform the State Level Committee before lease out/ sell-out to another legal entity within incentive period by applying on the portal.

iii. **Change of Location of unit:** The Change of location shall be allowed only in special circumstances with the prior approval of State Level Committee for continuation of incentives. Shifting of Unit outside the State is not allowed.

iv. **Merger/ Amalgamation of Units:** The approval of the State Level Committee will be required for any merger/amalgamation of units. The application shall be submitted online along with necessary legal orders and other documents.

v. **Change of line of activity/inclusion of additional line of activities:** If a Unit starts manufacturing new eligible items, without any additional machinery or equipment, with the same plant & machinery already verified at the time of ICAF approval, or if units wants to change activity after obtaining Pre production incentive of exemption from stamp duty, Unit shall apply online to the State Level Committee and after approval such items shall be allowed for availing reimbursement of SGST or other incentives being availed under this policy. In case of addition of item under Negative List, all future incentives under this policy shall cease immediately.

4.2. PENAL ACTION:

In case that any incentive disbursed to a Unit is found to exceed the actual eligible amount, the Unit shall refund the excess amount to the Department along with **simple interest at the rate of SBI's latest Prime Lending Rate (PLR) plus 3% per annum**, calculated from the date of disbursement till the date of refund.

In case, where such excess disbursement has occurred on account of submission of incorrect, false, misleading, or suppressed facts by the applicant, the Unit shall, refund the excess amount to the Department along with **interest at the rate of SBI's Prime Lending Rate (PLR) plus 7% compounded monthly**, calculated from the date of disbursement till the date of refund.

Further, in such cases involving misrepresentation or suppression of facts, the Unit shall also be liable for appropriate legal action under applicable laws and shall be **debarred from availing any incentive or assistance from the State Government**, as may be decided by the competent authority.

5. OVERALL CAPPING & ELIGIBILITY PERIOD

5.1. OVERALL CAPPING

(i) **Cumulative** benefits of all fiscal incentives are capped at 100% of FCI for General industry units.

(ii) Cumulative benefits are capped at 125% of FCI for units in Border districts, Kandi areas, and Priority sectors as per clause 1.5 of Chapter – 1 of the guidelines.

(iii) The annual sanction/disbursement amount for incentives will be capped to ensure equal annual disbursal based on the chosen time-period.

Illustration:

If a unit has chosen incentives period of 10 years the maximum incentives that it can avail annually will be 10% (of Overall Ceiling as per clause 5.1.1).

(iv) For incentives to Existing MSMEs as defined under clause 5.3 of the policy and which are not linked to new investments/expansion, the Cumulative benefits are capped at 100% of Depreciated value of Original FCI as on date of filing of CAF under this policy.

(v) The total incentives shall be capped at a maximum of INR 500 crore for eligible units during the eligibility period.

5.2. ELIGIBILITY PERIOD

Period of Incentives disbursal for all Eligible Units will be 10-15 years. The Units will have one-time option to choose period of incentives from 10 to 15 years. This option shall be exercised at the time of filing of I-CAF for incentives and will be submitted through online portal. Once I-CAF is approved, the option cannot be changed/modified.

5.3. PROCESS FOR DISBURSEMENT OF INCENTIVES

The fiscal incentives to an Eligible Unit shall be processed in the following manner: -

(i) At the time of approval of ICAF, the Sanction Letter for the grant of Stamp Duty Reimbursement, if any, shall be issued and thereafter Annual Ceiling shall be calculated as per clause 5.1.3 above.

(ii) The Eligibility Certificate for the grant of Electricity Duty (ED) Exemption as well as Market Fees, Rural Development Fee and other state taxes or Property Tax Exemption, as applicable, shall be issued prescribing the Ceiling for the respective Financial Years. The Ceiling for Market Fee for respective financial year shall be issued based on the self-assessment submitted by the unit

(iii) At the end of each financial year, Eligibility Certificates of subsequent years for Electricity Duty Exemption, Market Fees, Rural Development Fee and other state taxes exemption and Property Tax Exemption shall be reviewed on annual basis by the DSC.

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(iv) The unit shall avail the sum total of incentives for a particular financial year within the Annual Ceiling as calculated as per clause 5.1.3 of IBDP-2026. If the sum total of incentives availed for a particular financial year exceeds the Annual Ceiling, the excess amount availed shall be adjusted/recovered along with interest at the rate of (SBI PLR+7)% interest compounded monthly in the subsequent years, first from the Market Fee and if required, thereafter from the ED exemption to be availed.

(v) Thereafter, after the end of each financial year, the claims for all other incentives including yearly capital subsidy (other than that of Electricity Duty Exemption, Stamp Duty/CLU/EDC, Market Fees) shall be processed, along with audited balance sheet, APR & other requisite documents, through online portal within 12 months from the end of that financial year, subject to the available Annual Ceiling after deducting the various Exemption granted under this policy for that respective financial year with yearly Capital Subsidy as the last incentive to be processed.

(vi) Capital Subsidy incentive for a particular financial year will be processed, if any unutilized quantum of annual ceiling as per clause 5.2.2 (A) of IBDP-2026 is available.

Any residual quantum of the annual ceiling which could not be utilized/claimed by the unit, shall not be carried forward to the next financial year's Annual Ceiling.

6. PROCEDURE FOR AVAILING FISCAL INCENTIVES

6.1. PRE-PRODUCTION INCENTIVES

A. PROCEDURE FOR AVAILING THE INCENTIVE OF STAMP DUTY BY WAY OF EXEMPTION/ REIMBURSEMENT

(i) Time-limit to submit the claim application:

a. An Eligible Unit availing the benefit of Stamp Duty by way of Exemption shall submit its application on the prescribed Form – SD(E) through the Online Portal. The unit need not to submit ICAF for availing the incentive of Stamp Duty by way of Exemption.

b. An Eligible Unit availing the benefit of Stamp Duty by way of Reimbursement shall submit its application on the prescribed Form – SD(R) through the Online Portal along with the I-CAF only.

(ii) SOP for the processing of the claim application:

a. On submission of application in the prescribed Form SD(E)/Form SD(R) by the Eligible Unit after due scrutiny, the application shall be placed before the District Scrutiny Committee (DSC).

b. The DSC, after due examination shall finalize its recommendation to be placed before the Competent Authority for approval. After the approval by DLC/SLC as the case may be, the Eligibility Certificate in case of Exemption and, Sanction Letter in case of Reimbursement shall be issued by the Convenor of DLC or Additional Director/Joint Director/Deputy Director in case of SLC.

c. In the case of Stamp Duty exemption, a first charge equivalent to SD incentive amount valid up to the date of commercial production/ operation shall be created in the favor of the Department of industries & Commerce, Government of Punjab at the time of execution of sale deed and lien be got marked in the revenue record by the unit within 45 days of the execution of sale deed and copy of the same be submitted to the office of the concerned GM DIC along with uploading the same on online portal.

   In case 100% of first charge is not possible, the applicant needs to submit a Bank Guarantee equivalent to the sum of stamp duty applicable, valid up to the date of verification of I-CAF. The bank guarantee shall be returned after the verification of I-CAF.

d. In case of Reimbursement, the stamp duty shall be allowed for land or building which has been purchased up to 5 years prior to the DoCP and optimally utilized, by the same entity. The refund will be given only after the unit commences commercial production.

(iii) Other Conditions:

a. The land for which the incentive is being claimed, should be in the name of the Sole-Proprietor, in case of Proprietorship Firm Or in the name of the Enterprise or Unit through Sale Deed or Registered Lease Deed along with requisite entry in the revenue record.

b. The value of stamp duty exemption/reimbursement shall be adjusted from the overall ceiling at the time of verification of I-CAF.

B. PROCEDURE FOR AVAILING CLU EXEMPTION/EDC EXEMPTION IN CASE OF NEW UNIT FOR THE SECTORS MENTIONED BELOW:

CLU Exemption:

i. Hospital & Medical College

ii. Higher Education

iii. Logistics & Warehousing

CLU/EDC Exemption:

i. Tourism Sector for Units covered under MICE category only

I. Time-limit to submit the claim application:

a. An Eligible Unit seeking the benefit of CLU/EDC by way of Exemption, as the case may be, shall submit its application on the prescribed Form – CLU(E)/EDC) through the Online Portal. The unit need not to submit ICAF for availing the incentive of CLU/EDC by way of Exemption.

II. SOP for the processing of the claim application:

a. On submission of application in the prescribed Form CLU(E)/EDC(E) by the Eligible Unit, after due scrutiny, the application shall be placed before the District Scrutiny Committee (DSC).

b. The DSC, after due examination shall finalize its recommendation to be placed before the Competent Authority for approval. After the approval by DLC/SLC as the case may be, the Eligibility Certificate in case of Exemption shall be issued by the Convenor of the DLC or Additional Director/Joint Director/Deputy Director in case of SLC.

c. In the case of CLU exemption, a first charge equivalent to CLU incentive amount valid up to the date of commercial production/ operation shall be created in the favor of the Department of industries & Commerce, Government of Punjab at the time of availing the incentive and lien be got marked in the revenue record by the unit within 45 days of the availing of incentive and copy of the same be submitted to the office of the concerned GM DIC along with uploading the same on online portal.

In case 100% of first charge is not possible, the applicant needs to submit a Bank Guarantee equivalent to the sum of CLU exemption sought, valid up to the date of verification of I-CAF. The bank guarantee shall be returned after the verification of I-CAF.

III. Other Conditions:

a. The land for which the incentive is being claimed, should be in the name of the Sole-Proprietor, in case of Proprietorship Firm or in the name of the Enterprise or Unit through Sale Deed or Registered Lease Deed along with requisite entry in the revenue record.

The value of CLU exemption shall be adjusted from the overall ceiling at the time of verification of I-CAF.

6.2. PROCEDURE FOR THE VERIFICATION OF FCI AND DATE OF COMMERCIAL PRODUCTION (APPROVAL OF I-CAF) AND ELECTRICITY DUTY EXEMPTION

I. Time-limit to submit the application:

a. An Eligible Unit shall submit its ICAF along with the prescribed documents and Form ED through Online Portal, not later than three (03) months from the date of closing of financial year in which the unit has commenced commercial production.

For illustration: *If the unit has commenced its production on 15/04/2026, the cut-off date to submit the ICAF will be 30/06/2027 i.e. not later three (03) months from 31/03/2027.*

II. SOP for the processing of the claim application:

a. The unit shall submit the I-CAF along with the required documents and choose the tenure of incentives. The I-CAF must be submitted through Online Portal along with all prescribed attachments.

b. The GM, DIC will scrutinize the I-CAF and raise the applicable fee for assigning the case to an Empanelled Chartered Accountant (ECA).

c. The unit shall make the online payment of the scrutiny/verification fee. Upon payment, the I-CAF will return to GM, DIC.

d. The GM, DIC shall assign the I-CAF to an Empanelled Chartered Accountant (ECA) through Online Portal for verification (in the prescribed format) of the Fixed Capital Investment (FCI), Date of Commercial Production (DoCP), Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. The ECA shall be given a period of 2 working days for uploading the Valid CAG Empanelment Certificate. If the CAG Empanelment Certificate is not uploaded within the stipulated period, the case shall be re-assigned automatically to the next Empanelled CA. On

receiving the valid certificate; GMDIC will authorize the Empanelled CA for the verification of FCI.

e. The Empanelled Chartered Accountant (ECA) shall conduct the verification and submit the verification report to the GM, DIC. A period of 15 working days will be allowed to the ECA to complete the verification (in the prescribed format) of Fixed Capital Investment (FCI), Date of Commercial Production (DoCP), Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. For cases involving FCI above INR 125 crore, the time period for submission of the verification report shall be 30 working days.

f. In case any ECA has certain observations or requirement of additional documents, same shall be conveyed to the Investor through GM, DIC within a period of 2 working days from the date of allocation of the case to him. The total time period for ECA to verify the case is 15/30 days.

g. The Convener DSC will place the ECA report before the District Scrutiny Committee (DSC) for examination and recommendations.

h. After the District Scrutiny Committee's recommendations, the convenor DLC/SLC will place the case before the DLC/SLC (as applicable) for final decision.

i. At the time of approval from the DLC/SLC, the Overall Ceiling as per the category of the industry shall be calculated. Further, based upon the Eligibility Period chosen by eligible unit, the Annual Ceiling shall be calculated. The amount of Stamp Duty Exemption or Reimbursement/CLU/EDC Exemption, as the case may be, availed by the unit, shall be adjusted against the Annual Capping of the first year. If such adjustment exceeds the annual ceiling than the excess amount shall be adjusted in the annual ceiling of the subsequent year. An Eligibility Certificate depicting the verified FCI, DoCP, Eligibility Period, Eligible Products along with HSN Codes, Category of the unit, Relevant Sector, Overall Ceiling, Annual Ceiling, etc. as per the specimen prescribed form.

j. The sanction letter as per the specimen prescribed in EC-SDR shall be issued for the reimbursement of stamp duty amount by the Convenor DLC or Additional Director/Joint Director/Deputy Director in case of SLC.

k. Eligibility Certificate as per the specimen prescribed in Form – EC-ED shall be issued for the incentive of Electricity Duty Exemption by the Convenor DLC or Additional Director/Joint Director/Deputy Director in case of SLC.

6.3. PROCEDURE FOR AVAILING OTHER INCENTIVES

I. Time-limit to submit the claim application:

a. Upon completion of a financial year for which incentives are to be claimed, an Eligible Unit shall submit its applications in the prescribed Forms – INC along with Capital

Subsidy claim (if sought) and the prescribed documents through Online Portal, within 12 months of the closing of the financial year.

b. Such claims shall be processed as per eligibility subject to Annual Ceiling of the respective financial year after adjusting the ED Exemption availed in that financial year.

c. Subsequently, after processing of the claims submitted above, any unutilized quantum of annual ceiling shall be utilized for the sanction of capital subsidy subject to the annualized quantum of the capital subsidy as per clause 5.2.2 (A) of IBDP-2026.

II. SOP for the processing of the claim application:

a. On submission of application in the prescribed Form INC by the Eligible Unit after due scrutiny, the application shall be placed before the District Scrutiny Committee (DSC).

b. The DSC, after due examination shall finalize its recommendation to be placed before the Competent Authority for approval.

c. After the approval by DLC/SLC as the case may be, the Eligibility Certificate shall be issued by the Convenor DLC or Additional Director/Joint Director/Deputy Director in case of SLC.

III. Other Conditions:

a. The first year for annual sanction/ exemption shall be the financial year of DoCP. Where an industrial unit becomes eligible or commences commercial operations during a financial year, the incentive for the first year and last financial year of the eligibility period shall be admissible only on a pro-rata basis.

b. The Products which are out of the purview GST regime and are still governed by VAT regime shall be provided investment subsidy by way of reimbursement of net VAT paid on intra-state sale for a period in place of net SGST. All other conditions such as maximum limit and time period etc. would be the same as laid down in this policy.

6.4. PROCEDURE FOR SUBMISSION OF I-CAF FOR EXISTING INDUSTRY

I. Time-limit to submit the application:

a. An existing unit not linked with new investment or expansion shall file the ICAF one-time during the policy period, for the verification of the Depreciated FCI as on date of filing of CAF, not later than three months from the date of closing of the financial year of which the incentives are being claimed.

For illustration: *if the unit will seek incentives for financial year 2026-27, the cut-off date to submit the ICAF will be 30/06/2027.*

II. SOP for the processing of the claim application:

a. The unit shall submit the I-CAF along with the required documents. The I-CAF must be submitted through Online Portal along with all prescribed attachments.

b. The GM, DIC will scrutinize the I-CAF and raise the applicable fee for assigning the case to an Empanelled Chartered Accountant (ECA).

c. The unit shall make the online payment of the scrutiny/verification fee. Upon payment, the I-CAF will return to GM, DIC.

d. The GM, DIC shall assign the I-CAF to an Empanelled Chartered Accountant (ECA) through Online Portal for verification (in the prescribed format) of the Depreciated FCI as on date of filing of CAF, Date of Commercial Production, Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. The ECA shall be given a period of 2 working days for uploading the Valid CAG Empanelment Certificate. If the CAG Empanelment Certificate is not uploaded within the stipulated period, the case shall be re-assigned automatically to the next Empanelled CA. On receiving the valid certificate; GMDIC will authorize the Empanelled CA for the verification of FCI.

e. The Empanelled Chartered Accountant (ECA) shall conduct the verification and submit the verification report to the GM, DIC. A period of 15 working days will be allowed to the ECA to complete the verification of Depreciated FCI as on date of filing of CAF, Date of Commercial Production, Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. For cases involving FCI above ₹100 crore, the time period for submission of the verification report shall be 30 working days.

f. In case any ECA has certain observations or requirement of additional documents, same shall be conveyed to the Investor through GM, DIC within a period of 2 working days from the date of allocation of the case to him. The total time period for ECA to verify the case is 15/30 days.

g. The Convener DSC will place the ECA report before the District Scrutiny Committee (DSC) for examination and recommendations.

h. After the District Scrutiny Committee's recommendations, the convenor DLC/SLC will place the case before the DLC/SLC (as applicable) for final decision.

i. At the time of approval from the DLC/SLC, the Overall Ceiling as per the category of the Industry shall be calculated. An Eligibility Certificate depicting the verified FCI, DoCP, Eligible Products along with HSN Codes, Category of the unit, Relevant Sector, Overall Ceiling. as per the specimen prescribed form.

6.5. PROCEDURE FOR AVAILING INCENTIVES FOR EXISTING UNIT NOT LINKED WITH NEW INVESTMENT OR EXPANSION

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Time-limit to submit the claim application:

a. **Freight Subsidy:** The unit must be registered with the Online Portal and submit application on prescribed Form – FS for the grant of incentive, along with the listed documents on the portal of the department within three months of the closing of financial year for which the incentive is being claimed.

b. **Market Development Assistance:** Application on prescribed Form-MDA for the grant of Market Development Assistance for the participation in exhibition along with listed documents would be submitted, as an intimation, to the GMDIC on the online portal of department before six months of the event.

After participation in the event, the unit shall submit the Claim in form MDA 1 for Market Development Assistance within 6 months of the closing of the financial year of the event.

Other Conditions: Marketing assistance shall be provided to the units subject to the condition that they have not availed any marketing assistance incentives for the same event from Government of India or the Government of Punjab. The assistance shall be sanctioned based on actual bills for the expenses incurred.

c. **Reimbursement of CGTMSE guarantee fee for Micro and Small Enterprise:**

The unit must be registered with the Online Portal and submit application on prescribed Form – CGTMSE for the grant of incentive, along with the listed documents on the portal of the department within six months of the closing of financial year for which the incentive is being claimed.

d. **Financial Assistance to MSMEs for NSE Emerge Platform and Technology Adoption:**

The unit must be registered with the Online Portal and submit application on prescribed Form – EX for the grant of incentive, along with the listed documents on the portal of the department within six months of the closing of financial year for which the incentive is being claimed.

e. **Additional State Support under the ZED scheme of GOI:**

The Unit shall apply for the Additional support to Zero Effect Zero Defect (ZED) scheme of GOI on the online portal within three (03) months from the date of certification and shall submit the requisite documents along with silver or gold ZED certification. The Unit which has availed the ZED certification during the policy period only shall be eligible for this incentive. The competent authority to sanction the incentive under this scheme would be DLC/SLC, as the case may be.

f. **Reimbursement of Audit Expenses for Energy/Water/Environment /Steam/Safety**

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The Unit shall submit application on prescribed Form - EA for the reimbursement of expenses incurred in conducting the audit with listed documents would be submitted on the portal of the department within three months of the closing of financial year for which the incentive is being claimed.

Other Conditions: Such enterprises shall be provided financial assistance only if the energy audit has been done by an Energy Auditor certified by the Bureau of Energy Efficiency (BEE) empaneled by the Department of Industries & Commerce or PEDA. The detailed scope of energy audit shall also be prescribed. The eligible units must also comply with the following conditions:

(a) The assistance will be provided only if, there has been at least 15% reduction in average monthly energy (electrical as well as thermal) consumption compared with average of previous 12 months before conducting of audit.

g. Reimbursement of Expenses for Patent Registration

The Unit shall submit application on prescribed Form-PR for the reimbursement of expenses incurred in acquiring patent registration along with listed documents would be submitted, on the web portal of the Department within three months of the closing of financial year for which the incentive is being claimed.

h. Reimbursement of Expenses for Quality, Management System and Environment Certification

The Unit shall submit application on prescribed Form-PR for the reimbursement of expenses incurred in acquiring patent registration along with listed documents would be submitted, on the web portal of the Department within three months of the closing of financial year for which the incentive is being claimed.

i. Digital Marketing Support

The Unit shall submit application on prescribed Form-DMS for the reimbursement of expenses incurred for on boarding on e-commerce platforms, including cataloging and related expenses, on platforms developed by NSIC, ONDC, or other recognized similar platforms along with listed documents, on the web portal of the Department within three months of the closing of financial year for which the incentive is being claimed.

II. SOP for the processing of the claim application:

a. On submission of application in the prescribed Form - XX by the Eligible Unit after due scrutiny, the application shall be placed before the District Scrutiny Committee (DSC). Such claims considered by the DSC shall only pertain to the validity of IBDP-2026.

b. The DSC, after due examination shall finalize its recommendation to be placed before the Competent Authority for approval.

c. After the approval by DLC/SLC as the case may be, the Eligibility Certificate shall be issued by the Convenor DLC or Additional Director/Joint Director/Deputy Director in case of SLC.

d. The Eligibility Certificate shall be issued after adjusting the incentive amount from the residual Eligible Overall Ceiling during the policy period.

6.6. SCHEME FOR STATE AWARD TO MSMES

I. Quantum and categories of awards:

Annual State Awards for MSMEs with SC entrepreneurs, Women entrepreneurs, Export Oriented Units, and ODOP units to recognize excellence in productivity, quality improvement, and export performance. Under this initiative, an award amount of ₹2 lakh per unit shall be granted in each eligible category. In the case of ODOP manufacturing units, the award amount shall be ₹3 lakh per unit.

The awards shall be conferred once every year during the validity period of the Policy.

The criteria for evaluation for Award, Procedure and Other necessary conditions shall be notified separately.

6.7. PROCEDURE FOR THE GRANT OF CAPITAL SUBSIDY TO THE EXISTING UNITS

(A) Units/Clusters setting up R&D/Testing Facilities

(B) Units/Clusters setting up Paddy Straw Fuel Based Boiler

(C) Units/Clusters setting up ZLD or Up-grading ETP to ZLD

I. Time-limit to submit the application:

a. An Eligible Unit shall submit its ICAF along with the prescribed documents through Online Portal, not later than three (03) months from the date of closing of financial year in which the unit has commenced commercial production.

For illustration: *if the unit has commenced its production on 15/04/2026, the cut-off date to submit the ICAF will be 30/06/2027 i.e. not later three (03) months from 31/03/2027.*

II. SOP for the processing of the claim application:

a. The unit shall submit the I-CAF along with the required documents. The I-CAF must be submitted through Online Portal along with all prescribed attachments.

b. The GM, DIC will scrutinize the I-CAF and raise the applicable fee for assigning the case to an Empanelled Chartered Accountant (ECA).

c. The unit shall make the online payment of the scrutiny/verification fee. Upon payment, the I-CAF will return to GM, DIC.

d. The GM, DIC shall assign the I-CAF to an Empanelled Chartered Accountant (ECA) through Online Portal for verification (in the prescribed format) of the Fixed Capital Investment (FCI), Date of Commercial Production (DoCP), Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. The ECA shall be given a period of 2 working days for uploading the Valid CAG Empanelment Certificate. If the CAG Empanelment Certificate is not uploaded within the stipulated period, the case shall be re-assigned automatically to the next Empanelled CA. On receiving the valid certificate; GMDIC will authorize the Empanelled CA for the verification of FCI.

e. The Empanelled Chartered Accountant (ECA) shall conduct the verification and submit the verification report to the GM, DIC. A period of 15 working days will be allowed to the ECA to complete the verification (in the prescribed format)of Fixed Capital Investment (FCI), Date of Commercial Production (DoCP), Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. For cases involving FCI above ₹100 crore, the time period for submission of the verification report shall be 30 working days.

f. In case any ECA has certain observations or requirement of additional documents, same shall be conveyed to the Investor through GM, DIC within a period of 2 working days from the date of allocation of the case to him. The total time period for ECA to verify the case is 15/30 days.

g. The Convener DSC will place the ECA report before the District Scrutiny Committee (DSC) for examination and recommendations.

h. After the District Scrutiny Committee's recommendations, the convenor DLC/SLC will place the case before the DLC/SLC (as applicable) for final decision.

i. At the time of approval from the DLC/SLC, an Eligibility Certificate depicting the verified FCI, DoCP, Annual Installments, Eligible Products along with HSN Codes, Category of the unit, Relevant Sector etc. as per the specimen prescribed form shall be issued.

III. Time-limit to submit the annual Capital Subsidy claims:

The annual Capital Subsidy claim for particular financial year, shall be submitted in the prescribed Forms – XXX and the prescribed documents through Online Portal, within 12 months of the closing of the financial year. Such claims shall be processed by the Convenor DLC or Additional Director/Joint Director/Deputy Director in case of SLC, subject to the fulfilment of general conditions with the condition that the unit should be in production at the time of disbursement of incentive.

IV. Other Conditions:

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a. The unit seeking Capital Subsidy for setting up of Paddy Straw Fuel based Boilers or ZLD/Up-grading their ZLD shall have obtained Consent to Establish (CTE) from PPCB after the date of notification of this policy.

b. The Boiler/ZLD/Eligible Unit shall remain in operation for 10 years from the date of sanction of incentive.

c. The Eligible Unit shall prioritize operation of paddy straw-based boiler over other boilers, if any installed.

d. The Eligible Unit shall utilize fuel in the form of paddy straw bales/ paddy straw-based pellets or briquettes in boiler. In case, the beneficiary industry utilise paddy straw-based pellets/ briquettes, composition of other biomass is permitted but only to an extent of 20% of total feedstock, in case needed.

e. The Eligible Unit shall submit CA audited bill of material for purchase of fuel (paddy bales/ pellet/ briquettes) utilized in boiler at the end of every financial year for a period of at least 10 years.

6.8. PROCEDURE FOR INCENTIVES TO START-UPS

6.8.1. ELIGIBILITY CRITERIA FOR START-UPS

i. The definition of the Start-up has been given in Sectoral Policy.

ii. The Start-up must be located in the State of Punjab.

iii. Provided further that in order to obtain benefits of this policy, a start-up unit shall be required to be registered under Policy and to obtain a certificate of Punjab Start-up Coordination Committee.

iv. Entity means a private limited company (as defined in the Companies Act, 2013), or a registered partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act,2002).

v. An entity is considered to be working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property if it aims to develop and commercialize:

1. A new product or service or process, or
2. A significantly improved existing product or service or process that will create or add value for customers or workflow.
3. Provided it shall not be mere act of developing:
    a. Products or services or processes which do not have potential for commercialization, or

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b. Undifferentiated products or services or processes, or

c. Products or services or processes with no or limited incremental value for customers or workflow

6.8.2. PROCEDURE FOR PROCESSING OF APPLICATION FOR REGISTRATION

i. The start-up entity will have to submit its application form SR online in the Start-up Registration Form on the web portal.

6.8.3. COMBINED PROCEDURE FOR REGISTRATION AND AVAILING FINANCIAL ASSISTANCE

i. The start-up entity will submit its application form SR for Registration and SF-Seed Funding financial assistance form, if the start-up opts for availing seed funding financial assistance, otherwise case will be processed only for Registration. Other financial assistance forms like IS-Interest Subsidy and Start-Lease Rental Subsidy, Second Tranche of Seed Funding which are payable annually or once, as the case may be, subject to the limit as defined in this Policy, can be filled as and when accrued at the end of the year as per procedure defined under 6.8.4.

ii. After initial scrutiny of all the application forms and requisite documents by the start-up cell, it will be forwarded to concerned nodal agency.

iii. The Nodal agency will review the application forms and assistance forms of the startup entity and will forward its recommendations both for Registration as well as financial assistance (if applied for by the Start-up) within next 2 weeks of receipt of such application to the Start-up Coordination Committee. Nodal agency may schedule a call or a meeting with the start-up entity, if it deems necessary.

iv. The recommendations of the nodal agency will be put up before the Start-up Coordination Committee.

v. The Start-up Coordination Committee may call the applicant for a presentation or any clarification in relation to either eligible activity or the cost marked against the eligible activity, or any of its components.

vi. After the approval of the Start-up Coordination Committee w.r.t Registration of the start-up, Registration certificate will be issued by the Start-up Cell.

vii. Start-up Coordination Committee will also record its recommendations concerning financial assistance to the start-up, if applied for, by the Start-up.

viii. The recommendations of Start-up Coordination Committee concerning financial assistance to the start-up will be put up to the State Level Committee for considering sanction of fiscal incentives to the Registered start-ups.

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ix. Financial sanction with regard to the concerned financial assistance (seed funding in this case) will be issued after the approval by the State Level Committee for the fiscal incentives to the registered start-ups.

x. All the financial assistance approved by the State level committee shall be disbursed according to the procedure defined in this policy.

6.8.4. PROCEDURE FOR AVAILING ASSISTANCE BY REGISTERED START-UPS

i. The applicant, once registered, will select the required financial assistance forms, i.e. IS-Interest Subsidy, Start- Lease Rental Subsidy, SF-Seed Funding, SF (II)- 2nd Tranche of Seed Funding for availing financial assistance on the web portal in respective forms. Financial assistance forms like IS-Interest Subsidy and Start- Lease Rental Subsidy, which are payable annually subject to the limit as defined in this Policy, can be filled as and when accrued at the end of the year. For availing reimbursement of Stamp duty on registration of MOA / AOA, applicant once registered will submit form SD on the portal.

ii. After due diligence of the application and requisite documents, it will be forwarded to concerned nodal agency except form SD which will be placed before the State Startup Coordination Committee for its recommendations after verification from the concerned Authority.

iii. The Nodal agency will review the application of the startup entity and will share its recommendations within next 2 weeks of receipt of such application. Nodal agency may schedule a call or a meeting with the startup entity, if it deems necessary.

iv. The recommendations of the nodal agency will be put up before the State Start-up Coordination Committee for a decision on total assistance eligible to the applicant.

v. The State Start-up Coordination Committee may call the applicant for a presentation or any clarification in relation to either eligible activity or the cost marked against the Eligible activity, or any of its components.

vi. The State Start-up Coordination Committee will record its recommendations.

vii. The recommendations of State Start-up Coordination Committee will be put up to the State Level Committee for sanction of fiscal incentives.

viii. Financial sanction with regard to the concerned financial assistance will be issued after the approval by the State Level Committee for the fiscal incentives to the registered start-ups.

ix. All the financial assistance approved by the State Level committee shall be disbursed according to the procedure defined in this Policy.

6.8.5. NODAL AGENCIES

I. Introduction

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1. Nodal Agencies are reputed institutions / organizations, which shall evaluate applications of Start-ups for recognition under policy and for availing monetary incentives once recognized. Besides evaluation, Nodal agencies shall play a crucial role in development of entrepreneurial ecosystem by acting as mentors to Start-ups and providing feedback where necessary.

2. In order to avail the benefits announced in the policy, an entity would be required to be registered as a Start-up by Start-up Punjab. To this effect, it would be required to submit an application online along with a note on innovation. All such registering entities application's need to be carefully reviewed by an expert committee hosted under the Nodal Agency. Nodal Agency shall mean reputed Government as well as other institutions/ organizations as approved by the Start-up Coordination Committee as Nodal Agencies for certifying Start-ups.

II. Objective

To review:

- Applications of Start-ups for their recognition and
- The merit of the Start-up applications for monetary grants.

III. Selection of Nodal Agency

Selection of Nodal Agency may be on invitation basis only with the approval of Start-up Coordination Committee. The selected Nodal Agency may however have to fill up simple details.

IV. List of Nodal Agencies/ Institutions

Following institutions are recognized as Nodal agencies/ Institutions in the State of Punjab subject to further amendments in the list from time to time by Start-up Coordination Committee:

1. Indian Institute of Technology (IIT), Ropar
2. National Institute of Technology (NIT), Jalandhar
3. Software Technology Park of India (STPI), Mohali
4. ISB, Mohali
5. IISER, Mohali
6. Punjab Biotechnology Incubator, Mohali
7. Thapar University, Patiala
8. Punjab Technical University

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9. Institute of Nano Science and Technology (INST), Mohali
10. National Agri-biotech Institute
11. National Institute of Pharmaceutical Education and Research (NIPER)
12. Punjab Agriculture University (PAU)
13. Punjabi University (PU)
14. Guru Nanak Dev University (GNDU)
15. Punjab Innovation Mission (IMPunjab)

6.8.6. Start-up Coordination Committee

In order to engage with various stakeholder and take their guidance and feedback on design and implementation of various start-up initiatives, a Start-up Coordination Committee is constituted as follows:

1.	Administrative Secretary, Industries and Commerce	Chairman
2.	Director Industries and Commerce	Member
3.	MD, PICTC	Member
4.	Officer-in-charge, STPI	Member
5.	GM, SIDBI, Regional Office, Chandigarh	Member
6.	President, TiE, Chandigarh Chapter	Member
7.	Representative of VC, PTU	Member
8.	Representatives of Nodal Agencies/ Institutions	Member
9.	Start-up Experts from the Region as may be nominated by the Chairman	Member
10.	Nodal Officer of Punjab Start-up Cell	Member Convener

The Start-up Coordination Committee will issue necessary Registration Certificate to the Start-up units based on evaluation by Nodal Agencies for various fiscal incentives under the Policy.

6.8.7. Start-up Punjab Cell

A cell under department of industries and commerce headed by director industries and commerce shall provide necessary secretarial and technical support to the start-up coordination committee. Director Industries & Commerce shall also act as start up nodal officer. The cell shall also act as a single point of contact with government departments where the start-up needs to implement their projects. The role of this cell would be to highlight, amalgamate and disseminate the resources, funding mechanisms, investments, incentives available at a single portal for start-ups in Punjab or start-ups looking to relocate to Punjab.

6.9. ONE-TIME APPLICATION FEE TO BE PAID BY THE INVESTOR:

The Department will levy one-time non-refundable application fee of INR 1,00,000 or @0.5% of the FCI claimed in I-CAF, whichever is higher, at the time of submission of I-CAF. Such fee shall be paid online to PIU. The Empaneled Charted Accountant (ECA) Fee shall be paid out of this application fee.

7. OVERLAPPING PERIOD OF INCENTIVES

7.1. UNDER PREVIOUS INDUSTRIAL POLICIES WITH REGARD TO INDUSTRIAL & BUSINESS DEVELOPMENT POLICY-2026

i. In cases involving overlapping period of incentives under previous industrial policies with regard to Industrial & Business Development Policy, 2026, the incentive granted to the unit for the overlapping period under the previous policy shall be capped at the "base value" calculated for determining the incremental sale/consumption of the expansion undertaken in this policy.

ii. The incentive to expansion unit under this policy shall be applicable on the incremental increase over the base value, including for the overlapping period.

iii. The amount of incentive availed during the overlapping period shall be adjusted on pro-rata basis from the respective capping of incentives under both the policies.

iv. The claims of the respective incentives shall be filled under the respective CAFs/ICAFs of the respective policies.

7.2. PERIOD OF INCENTIVES WITHIN SAME POLICY:

In Expansion cases involving overlapping period of incentives within this policy:

i. **New to expansion:** In case of New unit availing incentive under this policy undertakes expansion under this policy, the Annual Ceiling during the overlapping period of eligibility shall be the sum total of both Annual Ceilings.

ii. **Expansion 1 to Expansion 2:** In case of Expansion unit (referred as Expansion 1) availing incentive under this policy undertakes subsequent expansion (referred as Expansion 2) under this policy, the Annual Ceiling during the overlapping period of eligibility shall be the sum total of both Annual Ceilings.

8. GOVERNANCE MECHANISM

8.1. DISTRICT SCRUTINY COMMITTEE

I. Purpose of the Committee:

a. The Scrutiny Committee shall prepare a report to be placed before District Level Committee/State Level Committee, as the case may be, for ascertaining the new investment & eligibility under this policy.

b. The department shall empanel CAG empanelled CAs for assisting the Scrutiny Committee in preparing such report. Ordinarily, the documentary claim including the audit report / certification given by the empanelled CAs for preparing the report of the Scrutiny Committee.

c. However, the Committee or any of its members may, for reasons to be recorded in writing, carry out an inspection and/or seek additional information.

d. The report of the Scrutiny Committee shall contain clear recommendations w.r.t. the FCI of the eligible unit, the date of commercial production of the unit, the industrial categorization of the unit and list of eligible items along with NIC Code and HSN Code.

II. Constitution of the Committee:

GM, DIC	Chairperson
Lead District Manager	Member
Concerned Financial Institution	Member
Representative of Department of Taxation	Member
Representative of PSPCL	Member
Two representatives from Industry Associations	Member
Representative of ULB for sites in purview of MC	Member
Rep. of T & C Planning for sites outside purview of MC	Member
Functional Manager, DIC	Member Convener

Note: GMDIC may invite anyone relevant as deemed necessary.

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8.2. DISTRICT LEVEL COMMITTEE

I. Purpose of the Committee:

a. The District Level committee shall be the Competent Authority for approving and sanctioning of fiscal incentives for Eligible Unit having Fixed Capital Investment up to 50 Crore under this Policy.

II. Constitution of the Committee:

Deputy Commissioner	Chairperson
General Manager, District Industries Centre	Member Convener
Department of Town and Country Planning/ Local Govt	Member
Department of Taxation	Member
Two members from Industry Associations	Member

Note: The Member Convener of the committee may invite anyone relevant as deemed necessary.

8.3. DISBURSEMENT OF SACTIONED CASES

The disbursement shall be made on the basis of inter districts state level seniority to be maintained online. The seniority of the sanctioned cases for the purpose of disbursement of fiscal incentives shall be reckoned from the date of commercial production and not from the date of sanction and Seniority shall be freeze on monthly basis.

The disbursement of fiscal incentives would be subject to annual budgetary provisions of the Department of Industries & Commerce.

8.4. EXECUTIVE COMMITTEE

I. The State has constituted vide notification no. 1498 dated 13.11.2017, an Executive Committee under the Chairmanship of Chief Secretary and comprising of relevant Administrative Secretaries under IBDP 2017 and same shall continue for this Policy too.

II. The Executive Committee shall discharge the following functions:

a) To review the progress of implementation of the policy and follow up on the decisions taken by the State Government

b) To review and resolve the inter-departmental issues

c) To review the progress of various initiatives for Ease of Doing Business

d) To review the progress of issues pending with Central Government and utilization of funds under various schemes of Central Government and resolving issues if any.

e) To discharge any other function or power, which may be assigned by the State Government.

8.5. STATE LEVEL COMMITTEE

I. Purpose of the Committee:

a. The State Level committee shall be the Competent Authority for approving and sanctioning of fiscal incentives for Eligible Unit having Fixed Capital Investment more than 50 Crore under this Policy.

II. Constitution of the Committee:

Administrative Secretary, Industries & Commerce	Chairperson
Director of Industries & Commerce	Member Convener
Chief Executive Officer, PBIP	Member
Representative of Department of Housing & Urban Development	Member
Two Members from the Industry Associations	Member

Note: The Member Convener of the committee may anyone relevant as deemed necessary.

8.6.COMMITTEE FOR APPROVAL OF CUSTOMIZED PACKAGE (CACP)

I. Purpose of the Committee:

a. For Mega Units, the Government may consider a customized package of incentives on a case-to-case basis. These packages are subject to approval of the Council of Ministers on the recommendations of Committee for Approval of Customized Package (CACP).

II. Constitution of the Committee for Approval of Customized Package (CACP):

Finance Minister	Chairperson
Industries & Commerce Minister	Co-chairperson
Chief Secretary, Punjab	Member
Administrative Secretary Finance	Member
Administrative Secretary Industries & Commerce	Member

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Administrative Secretaries of concerned Departments	Invitee
Chief Executive Officer, PBIP	Member
Director Industries & Commerce	Member Convener

Note: The Member Convener of the committee may invite representative of any other department as deemed necessary.

III. Procedure for the grant of Customized Package:

a. The unit seeking the Customized Package under this policy shall submit its Form – CP along with Appraised Detailed Project Report.

b. On submission of the application form, the PIU shall work out the financial implications involved on account of State Exchequer and float the proposal to the concerning departments for seeking their concurrence/comments.

c. After obtaining the comments of the concerning departments, the proposal shall be shared with Department of Finance for their comments and a meeting of the committee shall be convened.

d. After the finalization of the recommendation by the committee, the proposal shall be placed before the Council of Ministers for soliciting the final approval and issuance of the final notification for the Customized Package.

8.7.POLICY IMPLEMENTATION UNIT

I. The State realizes the importance of effective implementation of this policy, and therefore, has setup a Policy Implementation Unit (PIU) vide Notification no. 1503 dated 13.11.2017 cutting across all the strategic pillars and sector specific activities. The key activities of PIU shall be:

a. To create awareness about the policy amongst the stakeholders

b. To prepare a detailed policy implementation plan with clearly defined timelines and responsibilities for each of the strategic pillar:

   i. Infrastructure

   ii. Power

   iii. MSME

   iv. Startup and Entrepreneurship

   v. Skill Development

   vi. Ease of Doing Business

   vii. Fiscal and Non-Fiscal Incentives

   viii. Stakeholder Engagement

c. To prepare a detailed policy implementation plan with clearly defined timelines and responsibilities for sector specific strategies for various manufacturing and service industry sectors.

d. To prepare a detailed policy implementation plan with clearly defined timelines and responsibilities for availing assistance under various Central Government schemes for infrastructure as well unit level assistance from various Ministries such as MSME, DPIIT, MEITY, MoFPI etc.

e. To assist the State in restructuring institutional support for the implementation of the policy and build capacity of the institutions for investment promotion and industrial development.

f. To prepare concept note, pre-feasibility and other relevant reports for implementation of the policy.

g. To assist the State in selection of various project specific agencies for implementation, wherever required.

h. To assist in weekly, monthly, quarterly and yearly review of the implementation of the policy as per the governance mechanism

i. Develop a comprehensive dashboard to track policy implementation

j. To assist in review of various policy areas in view of the best practices at national and international level.

k. To carry out impact analysis of the Policy on economic growth, job creation and other important economic indicators in order to maximise results of public investments of Govt. of Punjab for industrial and business development in the State and make forecasts for resources required.

l. The PIU will be strengthened under the aegis of the Department of Industries and Commerce and will be supported by Knowledge Partners, Experts and Professional Consultants as may be required for smooth implementation of the Policy.

8.8. POWERS CONFERRED WITH ADMINISTRATIVE SECRETARY INDUSTRIES & COMMERCE

i. Administrative Secretary Industries & Commerce, Punjab shall be competent to make interpretation of provisions of the Policy, Scheme and guidelines and may issue additional instructions, if required in case of any doubt/dispute/ambiguity.

ii. Administrative Secretary, Industries and Commerce, Punjab shall be competent to prescribe and amend relevant forms and standard operating procedures. He shall also be competent to approve the necessary workflows, validations and other changes as may be required for Online Portal. Any changes in guidelines, procedures and other modalities will be made on the portal and no separate intimation would be required. The applicant is required to check the status of his application on the portal and the Department will update the status on portal only.

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iii. In case of portal not being in operation due to any technical, functional or any other reason, the Administrative Secretary, Industries and Commerce may allow offline and/or online processing of cases for a period by passing an order in writing.

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ANNEXURE – I

ILLUSTRATIVE CALCULATION

FOR RESTRICTING THE VALUE OF LAND COST UPTO 10% OF FCI

Assumption:

The value of Land, Building and Plant & Machinery found eligible by DSC: -

#	Component of FCI	Eligible Value of the component
1	Land	1,50,00,000/-
2	Building	4,00,00,000/-
3	P&M	5,00,00,000/-
Maximum FCI		10,50,00,000/-

Base Method of calculation:

The eligible value of Building, Plant & Machinery should be capped at 90% of FCI and correspondingly the value of land shall be capped at 10% accordingly. The illustrative calculations are as under: -

#	Component of FCI	Eligible Value of the component
1	Building	4,00,00,000/-
2	P&M	5,00,00,000/-
Total value of Building, P&M which is 90% of FCI		9,00,00,000/-
3	Value of Land for the purpose of FCI	9,00,00,000*(10/90) = 1,00,00,000/-
FCI to be recommended		10,00,00,000/-

Scenario – I: Actual Cost of Land = ₹95,00,000

Since the actual cost of land (₹95,00,000) is less than the permissible limit of 10% of FCI (₹1,00,00,000), the actual cost of land is considered: -

#	Component of FCI	Eligible Value of the component
1	Total value of Building, P&M which is 90% of FCI	9,00,00,000/-
2	Actual Value of Land being lower than 10% of FCI	95,00,000/-
FCI to be recommended		9,95,00,000/-

Scenario – II: Actual Cost of Land = ₹1,05,00,000

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Since the actual cost of land (₹1,05,00,000) is more than the permissible limit of 10% of FCI (₹1,00,00,000), the land cost is capped at 10% of FCI.

#	Component of FCI	Eligible Value of the component
1	Total value of Building, P&M which is 90% of FCI	9,00,00,000/-
2	Value of Land restricted to 10% of FCI	1,00,00,000/-
FCI to be recommended		10,00,00,000/-

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ANNEXURE – II

List of permitted Civil Works in the Building Component

i. Main Factory Shed
ii. Raw Material and finished products godown
iii. Office and Lab room
iv. Cooling water ponds
v. Boiler shed and generator room
vi. Effluent Treatment Plant/Ponds including Zero Liquid Discharge (ZLD)
vii. Overhead Tank, bore-wells, and pump house and pump
viii. Fencing and gate
ix. Architect fee
x. R&D labs/Industrial Testing Labs
xi. Compound wall
xii. Canteen
xiii. Workers' restroom
xiv. Time Office
xv. Cycle/Vehicle Stand
xvi. Security Shed
xvii. Toilet room and sanitary fittings
xviii. Unit's own retail outlet on the same factory premises
xix. Construction of worker housing in same factory premises

The total value of items at (xi) to (xviii) and similar items shall not exceed 10% of the total value of civil works. Total value of the civil works mean items (i) to (x) only within the Approved Project Cost.

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